

The HBPW Board of Directors met
Monday, April 11, 2011
 at 4:00 p.m.
 in the Service Center Board Room
 625 Hastings Ave
 Holland, Michigan

Chair Hemingway called the meeting to order at 4:00 p.m.

Members Present: Paul Elzinga, Diane Haworth, Tim Hemingway, Phil Miller, Jim Storey, and City Council Liaison - Bob Vande Vusse

Members Absent: Ex Officio Member Soren Wolff

Staff Present: Loren Howard, Dave Koster, Dan Nally, Ellen Taub, John Van Uffelen, and Freda Velzen; Angela Badran, Loralyn Bunce, Andree Keneau, Julie Thompson, Chris Van Dokkumburg, and Randy Van Vels

11.137 **Board Minutes – Special Meeting and Study Session of February 28, 2011; Regular Meeting March 7, 2011**

As part of the Consent Agenda, the Board of Directors approved the minutes of the February 28, 2011 and March 7, 2011 meetings with recommended edits to members in attendance.

11.128 **Disposal of Obsolete Materials and Equipments**

The Holland Board of Public Works’ has identified materials and equipment, which are no longer pertinent for our use. The items on the lists presented have been determined excess, obsolete, or uneconomical to repair.

First, we determine if the items are usable within the HBPW and other City departments. Secondly, in an attempt to recover as much as we can, we will try to sell items to companies that specialize in inventory disposal. Our third course of action is to auction items that are remaining. The HBPW has the ability to conduct its own limited auction, open to the public. Items not sold or donated are recycled to the maximum extent.

As part of the Consent Agenda, the Board of Directors approved the lists of obsolete items to be declared surplus. And, forwarded the recommendation to the Holland City Council for their approval.

11.139 **Contract for Chemical Line Replacement**

The 2-inch, 4,775 foot, high-density polyethylene (HDPE) chemical feed line is installed inside the 42-inch Water Treatment Plant raw water intake line. The line is used to inject a sodium hypochlorite solution at the intake crib to prevent infestation of zebra mussels, and other invasive species, in the raw water intake line.

The first chemical feed line was installed in 1991 after divers discovered a small population of zebra mussel in the 42-inch intake line. On June 11, of 1999 staff noticed a sharp reduction in intake capacity. Upon inspection, it was discovered that the 2-inch line had broke free from its supports and “corkscrewed” inside the 42-inch pipe, substantially reducing intake capacity. The 2-inch chemical feed line support system was originally designed for 28 mgd flows and the 1998 WTP expansion project had increased flows to 38.5 mgd. The support system could not tolerate the increased velocities in the 42-inch line. It took divers two days to remove the broken line and restore intake capacity. The pipe that was removed by the divers was found to be brittle, breaking several times during

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the removal process.

To ensure reliability of operation, a replacement schedule was developed. The 11 year old pipe is scheduled to be replaced.

As part of the Consent Agenda, the Board of Directors approved a contract, pending city attorney approval, with Sea Brex Marine, for removal of the existing chemical line and installation of a new 2-inch chemical feed line at a cost of \$44,950. Staff has budgeted \$45,000 for the project in the current fiscal year.

11.140 **Agreement for Coal Bunker I-Beam Covers on Unit 4**

Previous experience has shown that sub-bituminous coal can smolder if left stagnant. Specifically, in November 2010, coal that was trapped on I beams caused a smoldering hot spot incident in one of the bunkers on Unit 5. Covering these beams will keep coal moving through bunker, reducing the potential for a bunker fire.

As part of the Consent Agenda, the Board of Directors approved a transfer from contingency in the amount of \$39,440 plus a ten percent project contingency in the amount of \$3,944 with Northern Boiler and Mechanical Contractors, Inc. to install sheet metal covers on the open webs of the "I" beams in the James De Young Unit 4 coal bunker; and, forwarded to City Council for action..

11.141 **James De Young Roof Drain Replacement – Phase 3**

After the significant rain events in 2008 and 2009, the Holland Board of Public Works began replacing roof drains at James DeYoung Generating Station. During these rainstorms water entered the building as a result of drain failures and caused a unit to trip off line. The roof drain project is broken into phases with the high consequence areas being the priority. High risk areas have been completed and now the remaining is being addressed according to a longer range plan. After this phase is complete there will be one more to follow.

As part of the Consent Agenda, the Board of Directors approved a contract in the amount of \$93,390, pending city attorney approval, with Pro Services, Inc. the low evaluated bidder, to replace the roof drain segment in area of Unit 5 at the James De Young plant and a contract contingency in the amount of \$9,339.

11.142 **Grant of Easement from Macatawa Bank**

The Holland Board of Public Works (HBPW) received a grant for seventeen (17) Electric Vehicle charging station (EVCS) to be installed in various locations in the Holland area. One location is on the east end of 8th Street just south of Macatawa Bank located at 141 East 8th Street. The installation requires an easement through Macatawa Bank property in order to run the electric lines needed for power requirements. Easement documents are necessary to allow HBPW access to the private property on which the utility is located so that HBPW may effectively operate and maintain it.

As part of the Consent Agenda, the Board of Directors accepted the Grant of Easement for underground lines, pending approval as to form from the City Attorney and forwarded to City Council for approval.

11.143 **Consent Item Action**

Motion to approve Consent Agenda with recommended edits to Minutes of March 7, 2011	<i>Elzinga</i>
Second	<i>Haworth</i>
Favor	<i>5</i>

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Oppose 0

11.144 **Communications from the Audience**

There were no communications.

11.145 **Utility Performance Review**

For information only

11.146 **Major Projects Update**

For information only

11.147 **Agreement for Holland – Wyoming Water Interconnect**

The primary purpose for the water systems interconnect is to improve the reliability of both systems. A secondary reason is to create the potential to share available capacity so that plant expansions can be postponed, thereby postponing rate increases due to expansion costs. Recognizing the benefits of the project, in 2001, the Board of Directors commissioned to study the feasibility of interconnect options between the Holland and Wyoming water systems.

Several interconnect alternatives were evaluated by Fishbeck, Thompson, Carr, and Huber (FTC&H) in 2001 which included interconnect pipeline routes in Lakeshore Drive, 160th Avenue, 96th Avenue, and a series of five interconnections in Douglas Avenue. The result of the study was a recommendation to install a 30” pipeline in 160th Avenue. Both Wyoming and Holland accepted the recommendation and agreed to pursue the interconnect project.

The agreement addresses the terms and conditions for constructing and using the interconnection as an emergency supply. The interconnection would be used to supply uninterrupted water in the event of unanticipated problems that would affect the ability of either water system. It could also be used to augment the other system’s supply during maintenance and repair operations that might reduce available capacity.

The Board of Directors approved the “Holland-Wyoming Water System Emergency Interconnect Agreement”

Motion to approve agreement	<i>Miller</i>
Second	<i>Haworth</i>
Favor	<i>5</i>
Oppose	<i>0</i>

11.148 **Water/Wastewater Services Staffing Adjustment**

The existing vacant Service & Maintenance II position has been vacant since January 2009 following a retirement. This is an entry level position for operating and maintaining the sanitary sewer collection and water distribution systems. This position reports to the Service & Maintenance Supervisor for Water/Wastewater Services.

The proposed Engineering Specialist position will report to the Engineering Supervisor for Water/Wastewater Services. This position will be responsible for planning and inspection of rehabilitation and infrastructure replacement projects.

This reallocation of budget will allow the department to focus on construction administration and inspection of rehabilitation and replacement projects currently being planned. It also allows and promotes the development of departmental staff to meet future staffing

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requirements.

The position change will also help focus on tasks such as updating construction records and maps with the data that is being collected with GPS and GIS technologies. Keeping excellent records is necessary for our staff to be able to research existing utilities in a timely fashion and to better assess future infrastructure needs.

The Board of Directors approved establishing budgeting for an additional Engineering Specialist position in place of the current budget allocation for a Service & Maintenance II position in the Water/Wastewater Services Group including an additional \$13,166 to cover the difference the pay scale between the two position; and, forwarded to City Council for action.

Motion to approve the budgeting	Storey
Second	Elzinga
Favor	5
Oppose	0

11.149

Purchase of an Interactive Voice Response System

In fall 2010, the Holland Board of Public Works (HBPW) purchased and implemented a new Cisco phone system. The new phone system replaced a fifteen year old Nortel phone system. The new Cisco phone system provides more flexibility, features, and reliability than the retired Nortel phone system. The second phase of upgrading the voice communication system is to implement an Interactive Voice Response (IVR) that integrates with the Cisco phone system.

An IVR will improve customer convenience, improve service outage call handling and communication, perform customer notification tasks, and increase customer service representative productivity and efficiency.

In summary, the IVR can be shown to significantly improve customer convenience and service in a number of ways. It can also create cost savings to produce an attractive return on investment. The five year cost of \$196,221 for the IVR will release \$50,000 in FTE that can be redirected or eliminated and \$7,500 in postage savings annually, for a total five year savings of \$285,000.

The voice communication system was originally budgeted as two separate capital projects, by different departments: (1) phone system and (2) IVR. However, advancements and changes in technology over the past four years have merged these technologies into what is referred to as a “voice communication system.” Understanding the overlap and integration of features between a phone system and IVR, HBPW staff merged the two budgets into a single capital project, called “voice communication system.” The phone replacement project was budgeted at \$150,000 and the IVR was budgeted at \$100,000. Additional phone system needs required additional contingency of \$25,525.13, and this has already been approved by the Board. \$57,879.86 remains in the Voice Communication System capital budget. Total first year cost of an IVR is \$120,060.00 with an additional \$12,000 contingency. A transfer from contingency of \$74,180.14 is needed to complete the voice communication system project.

The Board of Directors approved the purchase of an Interactive Voice Recognition System from Milsoft Utility Solutions, in the amount of \$120,060.00, a contingency in the amount of \$12,000, a transfer from contingency in the amount of \$74,180.14, and an associated Support/Service Agreement with Milsoft Utility Solutions, pending City Attorney approval.

Motion to approve purchase and transfer	Elzinga
Second	Storey
Favor	5

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Oppose 0

11.150 **Contract for Sludge Cake Hauling and Landfill Disposal**

Sludge from the Wastewater Treatment Plant is pressed and hauled to a landfill during winter months and any other time when farmland is unavailable for land application of Biosolids. An outside contractor transports the sludge cake to the landfill in 30-yard roll-off containers. Bid specifications for a three year contract to haul and landfill the sludge cake for the period from May 1, 2011 to April 30, 2014 were solicited. Two bids were received.

De Young Industrial Disposal has performed this service for the past three years, and staff is satisfied with their work. Based on the annual amount of sludge cake produced at the plant (8,000 tons and 400 loads) the three-year contract amount will be approximately \$604,000 which is approximately \$102,140 less than the amount for Waste Management. De Young will use Ottawa County Farms as the disposal landfill.

The cost of dewatered sludge disposal for the next year will increase by approximately 55% or \$68,000 over the cost incurred over the last year. This is primarily driven by a significant increase in the amount of sludge that Ottawa County Farms is receiving from other wastewater plants in addition to Holland.

The Board of Directors approved a three-year contract, pending City Attorney approval, with De Young Industrial Disposal, the low evaluated bidder, to haul and landfill sludge cake from the Wastewater Treatment Plant.

Motion to approve the three year contract	<i>Haworth</i>
Second	<i>Elzinga</i>
Favor	5
Oppose	0

11.151 **Audit Committee Appointment**

To facilitate the audit process and to provide the Board an opportunity to directly and independently communicate with the auditors, the Board appoints two Board Members to serve on the Holland Board of Public Works (HBPW) Audit Committee. At the conclusion of the audit process and before presentation to the full Board, the auditors from Rehmann Robson and HBPW staff meet with the Audit Committee to discuss the financial position, review the financial statements in detail and, read and discuss the auditors' management comments, if any. The committee is then given opportunity to meet with the auditors independently without staff present so they can discuss any concerns they may have or feel free to ask questions.

The meeting is arranged to coincide with the completion of the audit and is scheduled with the Audit Committee members. The date for the committee meeting likely will be either Thursday, September 8 or Friday, September 9, 2011. Last year, the committee was made up of Diane Haworth and Phil Miller.

Approximately four to five times during the year, the audit committee meets jointly with the City's audit committee at City Hall. The City's audit committee is made up of two members from City Council and two from the HBPW's Board. The auditors meet with the committee and finance staff of the City and the HBPW at the conclusion of the City's audit, usually in November to review the financial audit. The committee then meets quarterly throughout the fiscal year. Perhaps an additional meeting is scheduled to discuss the issues or meet with consultants if something comes up, such as happened with the OPEB reporting requirements,

The Board of Directors appointed Board Member volunteers, Miller and Haworth, to serve on the Audit Committee and meet with the auditors to review the FY 2011 financial position

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and discuss the results of the audit.

11.152 **Governance Policies for Personnel Employment and Evaluation**

The Holland BPW recognizes that the employees of the HBPW are one of the most important assets of the utility. In order to encourage excellence and measure job performance, the HBPW has for many years utilized a performance pay program for the non-bargaining employees of the HBPW that provides focus on achieving the strategic goals of the HBPW. Also, in order to attract and retain well qualified and motivated employees, the HBPW has used a job performance evaluation system to provide guidance and feedback to employees to assist in career counseling, job promotion evaluations and job performance reviews. The HBPW Results Policy R005 – Employee Performance and the revision to HBPW Delegation Policy D011 – Organization and Staffing set the expectations of the General Manager for managing and implementing employee job performance evaluation, employment functions such as hiring, promotion and discipline, and management of the performance pay program.

The Board of Directors approved the HBPW Delegation Policy D011Revision 1 – Organization and Staffing and Results Policy R005 – Employee Performance which delineate and revise the responsibilities of the General Manager regarding the hiring, promotion, discipline and evaluation of HBPW employees.

Motion to approve policies	<i>Miller</i>
Second	<i>Storey</i>
Favor	<i>5</i>
Oppose	<i>0</i>

11.153 **Closed Door – Legal Opinion Regarding Billing Policies**

Motion to enter Closed Session @ 5:21 p.m.	<i>Haworth</i>
Second	<i>Miller</i>
Favor	<i>5</i>
Oppose	<i>0</i>

ANNOUNCEMENTS

Before taking a motion to enter Closed Session, General Manager Howard announced that Holland Board of Public Works became a Platinum Member of American Public Power Association (APPA) and will hold that designation for two (2) years until the next evaluation. Designations listed from beginning to top levels are as follows: Bronze, Platinum, Diamond

The City Council begins a series of study/work sessions April 11, 2011 regarding the budget, and plans to take action on the combined budget in May 2011.

ADJOURNMENT

A motion to adjourn the meeting of April 11, 2011 was made by *Elzinga* supported by *Miller* and agreed upon by the Board of Directors present.

The Board Meeting of April 11, 2011 adjourned at *6:36 p.m.*

Minutes respectfully submitted by,

Loralyn Bunce, Secretary to the Board

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